

**CITY OF NORWALK  
THIRD TAXING DISTRICT COMMISSION MEETING  
APRIL 26, 2004**

**ATTENDANCE:** David Brown, Chairman; Paul Coggin; Stephen Feinstein

**STAFF:** George Leary, General Manager; John Stoops, Treasurer

**OTHERS:** Lawrence P. Dennin, Esq.; Gabe Stern, CMEEC; Kim Snow, CPA

Chairman Brown called the meeting to order at 7:23 p.m.

**PUBLIC COMMENT**

There was no one present from the public.

**APPROVE THE MINUTES OF MARCH 29, 2004**

The following corrections were made:

On page 1 in the Staff section, change “Stubbs” to “Stoops”; change “District” to “General”; change “Hodgson” to “Jarboe”

On page 1 in the Other section, change “Controller” to “Treasurer”; change “Stearn” to “Stern”

On page 3 in the first motion, add “per year for three years” after “\$12,695”

On page 3 in the second motion, change “\$53,352” to “\$5,352 per year for three years”

On page 3 in the last motion, add “the East Norwalk Improvement Association (ENIA)” before the word “Improvements”

**\*\* CHAIRMAN BROWN MOVED TO APPROVE THE MINUTES OF  
MARCH 29, 2004, AS AMENDED.**

- \*\* COMMISSIONER FEINSTEIN SECONDED THE MOTION.**
- \*\* MOTION PASSED UNANIMOUSLY.**

### **APPROVAL OF VANDERBILT SETTLEMENT AGREEMENT**

Attorney Dennin said legal counsel has reviewed the settlement agreement. Fourteen months of discussion between **Vanderbilt** and the District have resulted in numerous revisions to the agreement that Vanderbilt will sign next week.

- \*\* CHAIRMAN BROWN MOVED TO AUTHORIZE THE THIRD TAXING DISTRICT TO EXECUTE THE SETTLEMENT AGREEMENT WITH VANDERBILT.**
- \*\* COMMISSIONER FEINSTEIN SECONDED THE MOTION.**
- \*\* MOTION PASSED UNANIMOUSLY.**

### **FISCAL 2003 AND 2004 AUDIT PROPOSALS**

Chairman Brown said that Mr. Leary worked diligently to obtain three proposals for a firm to perform the audits for 2003 and 2004. Mr. Leary said that McGladrey & Pullen bid \$25,000 for 2003 and \$27,500 for 2004. The firm of Hope & Hernandez bid \$16,940 for each of the two years, substantially less than McGladrey & Pullen. A third proposal, in the amount of \$95,000, was received but not submitted for TTD approval. Mr. Leary recommended changing auditors to save the District money, even though this would entail extra work while the new firm was brought up to speed.

- \*\* COMMISSIONER COGGIN MOVED TO ACCEPT THE PROPOSAL FROM HOPE & HERNANDEZ FOR YEAR ENDED JUNE 30, 2003 FOR A FIXED FEE OF \$16,940.**
- \*\* CHAIRMAN BROWN SECONDED THE MOTION.**

Mr. Snow explained some of the terminology in the proposals for the commissioners' better understanding. Mr. Leary felt that Hope & Hernandez bid low because they assumed they would be awarded the audit for both years, not just one.

Commissioner Coggin withdrew his motion; Chairman Brown withdrew his second of the motion.

- \*\* COMMISSIONER COGGIN MOVED TO ACCEPT THE PROPOSAL FROM HOPE & HERNANDEZ FOR THE AUDIT FOR YEAR ENDED JUNE 30, 2003 AT A FIXED FEE OF \$16,940 AND UPON SATISFACTORY COMPLETION OF THAT AUDIT ACCEPT THEIR PROPOSAL FOR THE YEAR ENDED JUNE 30, 2004 AT A FIXED FEE OF \$16,940, CONTINGENT UPON A REFERENCE CHECK OF THE FIRM BY GEORGE LEARY.**
- \*\* COMMISSIONER FEINSTEIN SECONDED THE MOTION.**
- \*\* MOTION PASSED UNANIMOUSLY.**

#### **ACCOUNTING BUDGET FOR BALANCE OF FY 2004**

Mr. Snow explained his memorandum of April 20<sup>th</sup> to Mr. Leary, and the commissioners discussed this at length.

- \*\* CHAIRMAN BROWN MOVED TO ACCEPT THE PROPOSAL FROM KIM SNOW FOR ACCOUNTING SERVICES THROUGH JUNE 30, 2004 FOR A SUM NOT TO EXCEED \$13,410 (149 HOURS X \$90 PER HOUR).**
- \*\* COMMISSIONER FEINSTEIN SECONDED THE MOTION.**

Mr. Stoops commended Mr. Snow for a job well done during a relatively short time frame. Commissioner Coggin said that he would not support the proposal because it did not coincide with the procurement process established by the City in seeking vendors. Competitive bids were not received, and the time frame to complete the audit was not clearly defined. Mr. Snow explained the steps necessary to complete the audit and why it was difficult to set an absolute completion date. Commissioner Coggin expressed further concern about the transition phase the District would go through after Mr. Snow retired. He requested to see a plan of action from Mr. Snow at the next meeting to include: total number of hours and a corresponding dollar amount; a transition plan from Mr. Snow to his successor; and confirmation that the successor would be chosen according to the **District's** procurement policy.

- \*\* MOTION PASSED WITH ONE VOTE IN OPPOSITION (COGGIN).**

## **CITY LOAD REDUCTION PROJECT**

Mr. Leary explained the program summary which the commissioners discussed in greater detail. The program was a work in progress and budget money was available to fund the project. The Water Pollution Control Authority, the DPW, the TTD office and City Hall were currently in the program, but in order to remain would need to carry a load of at least 100kw. Since the TTD office would only carry 50kw or less, it was uncertain whether they would remain in the program. City Hall said that it might increase its kw to 150 from 37. Mr. Stern explained the program from a technical viewpoint and spoke about the liability the City could incur as a result of their involvement in the program.

## **GENERATION PROJECT**

Mr. Leary said that because interest rates were low, the District could finance the project on its own or ask CMEEC to finance it. Commissioner Coggin wondered if the project should be given a name; Attorney Dennin suggested the name remain generic until a lease was signed. Mr. Leary and Mr. Stern said that the District should meet with the Mayor soon, as a courtesy, to advise him of the status before the project was discussed with the **Siting** Council. After that, the project would require approval from the DEP; a public hearing would not be required.

Commissioner Coggin asked about the project's costs and the impact on current staff. He requested that Mr. Leary and Mr. Stern add a line item showing the TTD's dedicated labor allocated to the project and to ongoing maintenance of it. The commissioners agreed that the TTD should self-fund the project.

**\*\* COMMISSIONER FEINSTEIN MOVED TO ALLOW CMEEC TO ACT AS THE TTD'S AGENT IN THE DEVELOPMENT OF THE GENERATION PROEJCT, INCLUDING BIDDING THE PROJECT IN ACCORDANCE WITH CMEEC'S BIDDING REQUIREMENTS.**

**\*\* CHAIRMAN BROWN SECONDED THE MOTION.**

**\*\* MOTION PASSED UNANIMOUSLY.**

**\*\* COMMISSIONER FEINSTEIN MOVED TO FINANCE THE PROJECT FROM TTD AVAILABLE FUNDS TO BE REPAID IN EQUAL INSTALLMENTS OVER THE FIRST FOUR YEARS OF THE PROJECT.**

**\*\* CHARMAN BROWN SECONDED THE MOTION.**

Mr. Leary read the waiver letter which would be revised; Mr. Stern would contact CMEEC.

- \*\* COMMISSIONER FEINSTEIN MOVED TO AMEND HIS PREVIOUS MOTION TO STATE THAT FINANCING OF THE GENERATION PROJECT WOULD BE FROM TTD AVAILABLE FUNDS.**
- \*\* COMMISSIONER COGGIN SECONDED THE MOTION.**
- \*\* MOTION PASSED UNANIMOUSLY.**

Mr. Leary said CMEEC sent a letter requesting the District to reimburse them for expenses; total of \$4,500.

- \*\* COMMISSIONER COGGIN MOVED THE TTD TO REIMBURSE CMEEC THE SUM OF \$4,500 FOR EXPENSES INCURRED ON THE TTD'S BEHALF WHEN REVENUE IS RECEIVED FROM THE LOAD REDUCTION LOAD SHED PROJECT.**
- \*\* CHAIRMAN BROWN SECONDED THE MOTION.**

Commissioner Feinstein said that the TTD and CMEEC are partners and felt strongly they should be paid now.

- \*\* MOTION PASSED WITH ONE VOTE IN OPPOSITION (FEINSTEIN).**

#### **FISCAL YEAR 03-04 AND 04-05 FINANCIAL PROJECTION AND ACTIONS**

Mr. Leary explained the 04-05 Projection Sheet of expenditures as well as the rate comparison worksheet attached to it. **In the memo circulated by Mr. Leary he recommended to increase the fuel adjustment clause from 5 mils to 12 mils.** Commissioner Coggin requested Mr. Leary to present his explanations in memo format at the next meeting; Mr. Stoops asked that Mr. Leary be prepared to discuss maintenance costs at the next meeting. The commissioners discussed how much of an increase there should be in the power cost adjustment. Mr. Stoops asked for a line-by-line schedule to better understand the rate stabilization fund.

- \*\* COMMISSIONER COGGIN MOVED THE TTD TO INCREASE THE FUEL ADJUSTMENT CLAUSE RATE CHARGE FROM FIVE (5) MILS TO EIGHT (8) MILS BASED ON INFORMATION CONTAINED IN MEMORANDUM DATED APRIL 2004 FROM GEORGE LEARY TO THE TTD COMMISSIONERS.**

- \*\* COMMISSIONER FEINSTEIN SECONDED THE MOTION.**
- \*\* MOTION PASSED UNANIMOUSLY.**

### **REVIEW OF CREDIT & COLLECTION PROCESS**

Commissioner Coggin thought that correspondence sent via the U.S. postal service followed by a telephone call was a good approach. Mr. Leary explained why telephone calls are not productive.

- \*\* COMMISSIONER FEINSTEIN MOVED TO AMEND THE POLICY CONCERNING NON-PAYMENT FOR ELECTRIC SERVICES PER THE RECOMMENDATION SUBMITTED BY GEORGE LEARY, CHANGING FOUR DAYS TO SEVEN DAYS.**

- \*\* COMMISSIONER BROWN SECONDED THE MOTION.**
- \*\* MOTION PASSED UNANIMOUSLY.**

- \*\* COMMISSIONER FEINSTEIN MOVED TO TABLE FURTHER DISCUSSION OF THE CREDIT & COLLECTION PROCESS, AS WELL AS DISCUSSION OF ITEM 11 (GENERAL MANAGER'S REVIEW) TO THE COMMISSION'S NEXT MEETING.**

- \*\* COMMISSIONER COGGIN SECONDED THE MOTION.**
- \*\* MOTION PASSED UNANIMOUSLY.**

- \*\* COMMISSIONER FEINSTEIN MOVED TO ADJOURN.**
- \*\* COMMISSIONER COGGIN SECONDED THE MOTION.**
- \*\* MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 10:10 p.m.

Respectfully submitted,

Carol A. Wiggins for  
Telesco Secretarial Services